

BY CERTIFIED MAIL

IRS / Taxpayer Service Division

ATTN: Correspondence Desk

P.O. Box 1037

Atlanta, Georgia 30370

Dear Sirs:

I have become extremely confused about my liability for Federal Income Tax. I am not a "Tax Protester" and I clearly believe in paying all amounts owed. But there seems to be a lot of evidence in books and on the Internet that suggests that myself and citizens of the 50 States are not subject to this tax. I have written this letter in an attempt to get a clarification so that I can conduct myself in a lawful manner. If there is a massive amount of disinformation regarding these matters, then the public needs to know the truth.

I have a number of questions. The questions are not asked in any way to harass, threaten or intimidate anyone. Each has been carefully thought out based on the information reviewed. Answers to each of the questions is highly important in deciding what must be done. I would assume that IRS training covers the vast majority of these questions and upper management should be able to help with the remainder.

The information I have suggests that it is vital to have a clear meaning of the words as they are used in any particular section of the IRC or other rules and/or regulations. For this reason, please define all words used in your response so as to be crystal clear as to what you mean. I also understand that capitalization is also important. If a word has different meanings depending on whether or not it is capitalized, please give both. Not being an expert, please excuse my capitalizations because I may use the wrong ones. If capitalization makes any difference in my questions, please answer under both the capitalized and non-capitalized forms. Make sure your answers have the correct capitalizations for clarity. It is vital that the person who prepares this response also give their name, phone number, address, and credentials so that I can rely on the answers. Here are the questions:

**1. IDENTITY OF THE IRS:** What is the IRS? When did Congress approve it? Is it really a federal agency? Is it really a branch of the Treasury where the term Treasury refers to a governmental agency as opposed to part of some Corporation? Is the IRS the same as the BIR? Is the IRS a Trust created in or associated with Puerto Rico? If it is a Trust, who owns it? Where is the IRS's Delegation Of Authority? Has any DOA regarding the IRS ever been published in the Federal Register? Please supply me with a copy of all PUBLISHED DOA's relative to the IRS. Also, what is the length of time that a DOA is valid. Is publication of a DOA necessary per 44 USC Section 1505? If not published is it valid? Does not 26 USC rest entirely on a valid Delegation of Authority?

**2. DEFINITION OF INCOME, EMPLOYEE, CORPORATION, TRADE OR BUSINESS, BUSINESS AND BUSINESS INCOME:** What is income as it is defined for federal income tax

purposes? If there are multiple definitions, please give them all including where they can be found in the IRC, CFR, etc. and what the individual definitions are related and applicable to. I can not find a definition which is not circular. Every case I have seen says that income is not wages and salaries. Does income for non-federal employees living in the 50 states include wages and salaries? What court rulings, laws, regulations, etc. are there to substantiate any definition of income which includes wages and salaries? Is the Federal Income Tax just a tax on "Federal Income"? Define the word "employee" as used in IRS rules, etc.. Is this definition for purposes of withholding the same as that found at Section 3401(c)? Does this imply that only federal government employees (and a few other related classifications) are covered by these rules? Why do most people think otherwise? Define "corporation". Is a corporation for purposes of IRS rules, etc. limited to the definition at Section 7701(c)(3)? Define "Trade or Business". Is a trade or business for purposes of IRS rules, etc. the same as that given in Section 7701(a) also? If any answers to the above conflict with *Conner v. US*, 303 F Supp 1197 (1969), *Staples v. U.S.*, 21 F Supp 737 U.S. Dist. Ct. ED. PA, (1937) or *Oliver v. Halsted*, 86 S.E. Rep 2<sup>nd</sup> 85e9 (1955) or *Lucas v. Earl*, 281 U.S. 111 (1930) or *Edwards v. Keith*, 231 F 111 (1916) please give the reasons why these do not apply to the definition of income per IRS rulings. If income does not include wages and salaries, why are all the instructions for filing written in a way that implies they are? Why does Form 1040, Line 7 say "Wages, Salaries, Tips, etc."? What are the specific definitions of these items as used on Form 1040 Line 7? If a person lived in Georgia, worked in Georgia and held a job at a private factory for which he was paid \$7.00 per hour and he worked 1000 hours and was paid for his work, would that person have "Wages, Salaries, Tips, etc." as defined per Form 1040, Line 7? Why does Form 1040, Line 12 say "Business Income or (Loss)"? What are the specific definitions of a "Business" and "Business Income" as used on Form 1040 Line 12? If a person lived in Georgia, owned a business in Georgia organized as a sole proprietorship and engaged in the business of lawn care for private individuals, would that business be a "Business" as defined for Form 1040 Line 12? Would that business have any "Business Income" as defined per Form 1040, Line 12?

**3. TYPE OF TAX:** Is Federal Income Tax a direct tax or an Excise Tax. If it is a direct tax, how could it be Constitutional? Was the so called 16<sup>th</sup> Amendment (I say so called because of the removal of the real 13<sup>th</sup> Amendment and the questions of ratification of the so called 14<sup>th</sup> Amendment) really ratified? If so, how/why have Courts ruled otherwise? If it was ratified, why has the Supreme Court ruled that it changed nothing other than to express a right to tax federal citizens or employees of the federal government which the federal government had anyway (*Brushaber*, etc.)?

**4. IRS JURISDICTION:** What is the jurisdiction of the IRS? Is it limited to citizens of DC and U.S. possessions? Why would otherwise intelligent citizens of the 50 states believe that it applies to them? Under what specific conditions might the IRS have jurisdiction over a citizen of one of the 50 states who is employed by a private company engaged in non-governmental work?

**5. WITHHOLDING OF INCOME TAX AND SOCIAL SECURITY:** How can employers be required to withhold? Does the law not really translate to the fact that the employers "may" withhold if there is tax liability? How is tax liability determined? Are citizens of the 50 States required to file a W-4? If not, why does everyone think so? If not required, why does the IRS seem to demand it? Is it true that if W-4 withholding laws were ever Constitutional, they were repealed by Congress in 1944? I understand that Publication 515 explains the implementation of IRS Treasury Reg. 1.1441-5 (26 CFR 1.1441-5). Please explain the following quote from page 2 of Pub. 515 as it pertains to citizens of the 50 States who do not work for the federal

government or an affiliated entity of the federal government: "If an individual give you [the employer or withholding agent] a written statement, in duplicate, stating that he or she is a citizen or resident of the United States, and you do not know otherwise, you may accept this statement and are relieved from the duty of withholding the tax". Does IRC Sec. 6654(e)(2)(c) not say the same thing as the quotation above, which clearly implies that federal income tax for residents of the 50 states has to be PURELY VOLUNTARY? Also, please give the definition of "United States" and "tax" as used above. Is there ANY federal regulation which requires non-federal employees living in the 50 states to obtain a Social Security Number or complete a W-4 in order to obtain employment from a private employer located in one of the 50 states? If so, please give me the citation, the definitions of the words used therein and any case law which supports this.

**6. DEFINITIONS OF CITIZEN, STATE AND UNITED STATES:** Are all state Citizens also federal citizens. If not, can a person who is a citizen of one of the 50 States also be a federal Citizen? I don't know of anyone who has applied for federal citizenship. On what basis can a claim be made that a person is a federal citizen when that person has made no election? Can reliance be placed on an oath that a person is a citizen of the united States without giving the definition of united States? Would such an oath not be void for vagueness. Which capitalization is correct -- united States of America OR United States of America? Why does the Declaration of Independence use the former? Does "State" as used in laws which deal with tax liability include the 50 States? Is not the definition of "State" and "United States" defined in Section 7701(a)? Are the 50 States sovereign Nations? Why is State and United States used in so many different ways? Is the "country" for citizens of the 50 states in fact their state?

**7. STATUS OF THE CONSTITUTION AND COMMON LAW:** With regard to the frequent use of martial law rulings, admiralty rulings, etc. to defend the IRS, what is the status of a citizen of one of the 50 states in a Court dealing with taxes? If there are multiple types of courts, please explain for each. If a citizen is in a court under court martial rules or admiralty courts, explain the reason why this is possible. Are we in a state of national emergency? Has the Constitution been suspended? If it has, when did this occur? If it has, since a suspension is by definition temporary, when is the Constitution supposed to be restored? Did the Supreme Court "statutorize" the Common Law in 1938? Did it have the power to do so?

**8. SEIZURE AND LEVY:** If the Constitution has not been suspended, how can property be seized without due process of law? How can bank accounts be frozen using papers which don't bear a signature or a seal? On a "Notice Of Levy" is it true that you do not include 26 USC Sec. 6331 (a) which says who it really applies to? Is it true that it does NOT apply to most citizens of the 50 states but was written primarily to allow seizure of wages from federal employees who falsified their tax returns or committed some other crime in relation to the tax laws as they apply to federal employees or related groups?

**9. KICKBACKS, BRIBES AND PAYMENTS TO JUDGES, LAWYERS, GOVERNMENT EMPLOYEES, ELECTED OFFICIALS, ETC. INCLUDING BUT NOT LIMITED TO THOSE COVERED UNDER THE PERFORMANCE MANAGEMENT AND RECOGNITION PROGRAM OR SIMILAR PROGRAMS:** Are Judges and defense attorneys covered under a program such as the Performance Management and Recognition Program which allows them to receive financial or other compensation in any form upon the indictment, conviction or guilty pleading of a person in a tax case especially if that person is classified as an "Illegal Tax Protester" or "ITP"? If so, does this extend all the way to Bill Clinton? If not, where does it

stop? Is it true that the IRS can not supply records of these payments since most are made in cash? Would these payments be taxable income? Does the President get \$35,000 per indictment and the U.S. Attorneys \$25,000 per indictment of ITP's as has been reported? Are additional payments to the President even Constitutional? If the IRS is a Trust and the trust is owned by people who are not citizens of the 50 States, is the acceptance of these funds, etc. by any government employee or elected official not prohibited by the Constitution? Are there any records of any kind which detail exactly who got what for sending who to prison, allowing inappropriate fines, etc.? What exactly is an "Illegal Tax Protester"? Does the word "Illegal" modify "Tax" or "Protester"? If it modifies "Tax", don't citizens have the right to protest something which is "Illegal"? If it modifies "Protester", please cite the law which makes protesting taxes illegal. Have Congressmen, Presidents, Supreme Court Justices, etc. been compromised by the IRS in ANY WAY? Do Judges pay income tax? What percentage of judges pay? Is it true that according to Treasury/IRS 46.002, Privacy Act of 1974, Resource Document #6372 that the Criminal Investigation Division of the IRS maintains files on all U.S. District Court Judges? Would this not be a direct violation of the Constitution by attempting to bring the Judicial Branch under the control of the Legislative? Does this not have at least the appearance of a Conspiracy to deprive Americans of their rights and their property? Do IRS employees pay income tax? If so, what percentage? Was there ever a document referred to as the "IRS Pink Pages" which told IRS employees how to avoid Federal Income Tax and how to win any action brought against them for failure to file or other tax related charges? Shouldn't Federal Income Tax at least apply to IRS employees since they are federal employees? Are they federal employees? If you have never heard of the "IRS Pink Pages" and I supplied you with a copy, could you comment in full, not in regard to it's authenticity, but with regard to its accuracy? Would you like a copy? Could you verify the accuracy of the following statements contained in the alleged IRS Pink Pages:

"Income is not specifically defined in our manuals nor is defined in I.R.S. Code. Congress did not define it."

"Income has always been defined by the courts as to exclude wages."

"He/She is exempt, as wages need not be counted."

"There are also the questions as to both the ratification and the constitutionality of the 16<sup>th</sup> Amendment, but neither has been ruled on by the U.S. Supreme Court and why clutter up a good defense?"

"Since the general term "income" is not defined in the Internal Revenue Code (U.S. v. Ballard 535 F2d 400 (1976)) and the U.S. Supreme Court has ruled the Congress may not, by any definition it may adopt, conclude the matter, since it cannot by legislation alter the Constitution, from which alone it derives it's power to legislate, and within whose limitations alone, that power can be lawfully exercised -- (Eisner v. Macomber, 252 U.S. 1889 (1920))."

"Since the Rules contained in the I.R.S. Manual, even if codified in the code of Federal Regulations, do not have the force and effect of law (U.S. v. Horne, C.A. Me. 1983, 714 F2d 206) and the power to promulgate regulations does not include the power to broaden or narrow the meaning of the statutory provisions beyond what Congress intended (Abbot, Procter and Pain v. U.S. 1965 344 F2d 333, 170 Ct Cl 408), and regulations can not do what Congress itself is without the power to do; they must first conform to the Constitution - (C.I.R. v. Van Vorst,

C.C.A. 1932 59 F2d 677). Since the ultimate appellate court is the U.S. Supreme Court, we must look to them for a definite answer on the question of conformance and affirmation of our little secret that wages are not classified as income which can be taxed."

Under "Handling A Jury Trial" - "Even if you get a jury trial that is outraged by an agent not paying taxes you cannot be condemned. Both Tax Evasion and Failure to File require "willfulness". Again we look to the U.S. Supreme Court and find that, "The requirement of an offense committed willfully is not met, therefore if a taxpayer has relied in good faith upon a prior decision of the court". " (Bishop and Sullivan are cited).

"Refuse to produce anything the government does not already have on us from payroll. We must refuse any I.R.S. Summons not judicially enforced, as long as the attack is in good faith. The statute we usually refer to (Title 26 USC 7210) which prescribes criminal punishment for anyone refusing to obey an Internal Revenue summons for production records, was addressed by the U.S. Supreme Court in Reisman v. Caplink, 375 U.S. 440."

"CONCLUSION: As you can see, by negating wages as income, only profit or gain need to be considered, making most persons ineligible for filing. There is no willful act, no omission, not intent, and no income ... hence no case for the prosecution, and even if confronted by an angry jury, by relying on the U.S. Supreme Court decisions, YOU MUST BE ACQUITTED AS A MATTER OF LAW. If you are not acquitted, your lawyer will ask for a Judgement not withstanding the verdict, and/or appeal, from which you will eventually be found not guilty."

10. SOCIAL SECURITY AND SOCIAL SECURITY NUMBERS: Is Social Security in fact voluntary for the citizens of the 50 States? If it is, why does everyone think it is not? Is it required for citizens of the 50 states to have a social security number? Is it required that babies have Social Security numbers before they even leave the hospital?

11. MISCELLANEOUS DEFINITIONS: Please define these words specifically as they are used in any way connected with tax liability: include includes shall may.

12. RIGHTS OF CITIZENS OF THE 50 STATES: What rights above those contained in official IRS documents do citizens of the 50 States have with regard to the IRS? Can we individually sue employees of the IRS who violate our rights? Do we have the right to sue for fraud and taxes paid as a result of fraud intentionally perpetrated by agents or employees of the IRS? Would an individual who has had their rights violated as far back as several years be able to bring such a suit? How many years would that be? If an IRS employee knowingly violated the rights a citizen of one of the 50 states, causing that person physical or financial harm, could that employee and his or her supervisors be held personally responsible?

13. POWERS OF THE IRS: What powers does the IRS actually have? Is the IRS the same as the BATF? If not, why does the IRS seem to assume the powers delegated to the BATF? What is the legal support for seizure, collections efforts, etc.? Are you relying on 26 USC 7608(a) which deals with alcohol, tobacco and firearms tax? How does this apply? How does the IRS conduct criminal investigations? Isn't a Criminal Investigator required? In IRS Manual 1132.75 (12/21/87) what definitions are being used to allow citizens of the 50 states to be investigated since the Manual states that the Criminal Investigation Division is responsible for alleged crimes "involving U.S. citizens residing in foreign countries and nonresident aliens subject to Federal income tax filing requirements"? If the IRS is acting beyond the scope of it's

powers, what about 26 USC 7214(a) which declares IRS employees to be guilty of a felony punishable by up to \$10,000 and 5 years for each offense for "willful oppression under color of law", "knowingly demands other or greater sums than are authorized by law", or "attempts to collect... except as expressly authorized by law to do"?

**14. PAYMENT OF TAXES:** Does the IRC really say that all funds are to be collected by the Secretary of the Treasury? If so, why does the IRS instruct citizens to send the money to the IRS? Why is it deposited into a private bank (the Federal Reserve) rather than the Treasury? Does this mean that taxes paid do not go to run the government but rather to enrich a private corporation? Is the Federal Reserve even Constitutional?

**15. DISCLOSURE OF NON-VOLUNTEERS / CONGRESSIONAL KNOWLEDGE:** Is it true that millions of Americans and many corporations have dropped out of the Federal Income tax system and are keeping quiet about it? If so, does Congress know about this? If they do, why don't they just tell us? After all, they keep saying that the American Public needs a break on Federal Income Taxes. Why wouldn't someone in Congress just say "Hey, Federal Income Taxes don't apply to most citizens of the 50 states and never did. We have all been defrauded by international bankers and your tax money is only going to enrich these criminals"?

**16. SOVEREIGNTY OF CITIZENS / JURY NULLIFICATION:** Is it true that in Utah, cases for tax evasion are rarely or no longer brought? If so, is this because the people of Utah understand that Citizens are the Sovereign and can render verdicts without regard to the stated law? Is the principle of Jury Nullification valid? Has Jury Nullification not been part of the Common Law since the Magna Carta?

**17. RECORD KEEPING REQUIREMENTS:** Is there any legally binding record keeping requirement for citizens of the 50 States who are not federal employees? If so, state the specifics of the requirements.

**18. FILING REQUIREMENTS / AIMS/AMDIS FILES:** Describe in full detail who is required to file a tax return. You can cite the IRC as long as you make sure to include the meanings for these words in your answer. Can a citizen of the 50 States rely on U.S. Supreme Court cases like Sullivan, Bishop or Cheek as they relate to willful failure to file? Is it true that AIMS or AMDIS files on alleged taxpayers show them to have failed to file taxes covered under the BATF such as firearms manufacturing, alcohol production, etc. subject to an EXCISE tax which in the majority of cases have absolutely no basis in fact, nor is there any reasonable belief on the part of IRS employees of such tax liability? Is it true that you won't even let victims of this alleged hoax even see their AIMS or AMDIS files despite requests under the FOIA? Is it true that in at least one "willful failure to file" case (Gabe Scott of Alaska), the jury was so upset that 10 of the 12 swore to never file a tax return again and the other 2 said they would continue to file due to fear of the IRS? Should citizens acting lawfully fear the IRS? Should citizens acting lawfully fear any branch of government?

**19. PUBLIC PROTECTION / OMB NUMBERS / APPLICABLE TAX FORMS / "BOOTLEGGED" FORMS:** Does 5 USC Chapter III not include these words: "1320.5 Public Protection. (a) Notwithstanding any other provision of law, no person shall be subject to any penalty for failure to comply with any information collection request if the request does not display a current valid OMB control number"? Does Form 1040 have the OMB Number 1545-0074? Is this number assigned to by the OMB to a form entitled "TREATMENT OF GAIN



**FROM DISPOSITION OF CERTAIN NATURAL RESOURCE CAPTURE PROPERTY"? In the CFR does it not say the applicable form bears the OMB Number 1545-0067? Does 1545-0067 even exist? Does IRS Pub. 54 page 13 indicate that the only request form assigned for information gathering is Form 2555 which has the title "FOREIGN EARNED INCOME"? Can requests not bearing a current valid OMB number or stating why they bear such number be ignored by the public as indicated in Congress Administrative News - 1980 VOL 5 for requests made after December 31, 1981? Is the Form 1040 actually classified as a "bootlegged form"? In that case what about CFR 601.106(1) which says "Rule 1. An exaction by the U.S. Government, which is not based upon law, statutory or otherwise is a taking of property without due process of law in violation of the fifth amendment to the U.S. Constitution". Does this mean that NO PERSON is required to comply with IRS rules, etc. because the IRS forms do not comply with the requirements of law? If not, why not?**

**20. TC Codes: What is the meaning of the "TC" codes? Is it true that the TC code for citizens of the 50 states indicates they are foreigners filing voluntarily?**

**Please include in any response to this letter the signature of the person making the response, specific contact information regarding the signer, their title, their specific authority level, their physical address where they can be served during normal business hours, their phone number, etc.. Not doing so makes it impossible for me to adequately respond. Also, please be aware that I will vigorously defend any classification as a "tax protestor". I want to do what I am Constitutionally required to do. I just need to know what that is. There is no intent to argue, protest, delay or evade. I just need to get the facts straight. If I have filed returns which were not required, I hereby revoke my signature if this is a lawful action.**

**If a response to this letter will take more than 30 days, please let me know exactly who is handling it, how they can be contacted, etc. and when a response will be made.**

**Thanks for your prompt attention to these matters. Once you have given me all the information, I will be more than happy to distribute it to tens of thousands of others who are concerned about these matters. I can be reached at (770) 641-9042 if you have any questions or need further clarification. I look forward to hearing from you and getting these matters resolved.**

**Sincerely,**

**Terry W. Stough**

**CC: Senator Paul Coverdale**

**Senator Max Cleland**

**Congressman Newt Gingrich**